

Sixth Annual Report

**AMALGAMATED RARE EARTH
MINES LIMITED**



For the Period Ending May 31, 1963

AMALGAMATED RARE EARTH MINES LIMITED

DIRECTORS

HARVEY G. GREENE	-	-	-	-	-	-	Peterborough, Canada
GEORGE L. HOLBROOKE	-	.	-	-	-	-	Port Credit, Canada
CHARLES B. FARNHAM	-	-	-	-	-	-	Toronto, Canada
HOWARD PETITE	-	-	-	-	-	-	Toronto, Canada
THOMAS C. MICHIE	-	-	-	-	-	-	Toronto, Canada
ARTHUR W. WHITE	-	-	-	-	-	-	Toronto, Canada
H. RODNEY HEARD	-	-	-	-	-	-	Toronto, Canada

OFFICERS

Chairman of the Board	-	-	-	-	-	-	ARTHUR W. WHITE
President	-	-	-	-	-	-	HARVEY G. GREENE
Vice-President	-	-	-	-	-	-	CHARLES B. FARNHAM
Secretary-Treasurer	-	-	-	-	-	-	H. RODNEY HEARD
Assistant Secretary-Treasurer	-	-	-	-	-	-	LOUIS V. BARBISAN

TRANSFER AGENT AND REGISTRAR

GUARANTY TRUST COMPANY OF CANADA
366 Bay Street
TORONTO

HEAD OFFICE OF THE COMPANY

25 Adelaide St. West, Suite 416
Toronto, Canada

Feb *Transmission to be checked*

AMALGAMATED RARE EARTH MINES LIMITED

Report to the Shareholders

NOV 22 1963
NOV 25 1963

TO THE SHAREHOLDERS:

We present this Company's sixth annual report for the year ended May 31, 1963.

Since our last report to you, Amalgamated Rare Earth Mines Limited has done exploration work on its claims situated in Duprat Township, Province of Quebec, and in the Fort Frances Mining Division of Ontario.

The surface exploration and electro-magnetic survey of the Duprat Township claims, referred to in our 1962 report, were followed this year by diamond drilling. This work revealed a number of narrow zones with sulphide mineralization, one of which showed up to 3% chalcopyrite. The nature and extent of future work to be done on these claims will be influenced by results of development work performed in the area by others.

During the summer months of 1963 surface exploration, geological mapping, and diamond drilling were performed on the Fort Frances claims. The results were inconclusive, and the Company recently allowed its option to purchase these claims to lapse.

The trial of the action brought against Eldorado Mining and Refining Limited by the Company for \$8,500,000.00 damages for cancellation of Amalgamated's contract with Eldorado has not yet taken place. Our attorneys are now pressing for trial, and we are hopeful that this matter will be resolved within a reasonable time.

There have been no new developments in the uranium mining industry, but, consistent with the policy stated in our last report, we are maintaining our uranium mining properties in good standing.

Respectfully submitted on behalf of the Board,

H. G. GREENE,
President.

November 12, 1963

AMALGAMATED RARE

(Incorporated under the laws of the Province of Ontario)

Balance Sheet as at May 31, 1963

ASSETS

CURRENT ASSETS:

Cash	\$	12.34	
Deposit held by trustee		312.59	
Accounts receivable		25.00	\$ 349.93

FIXED ASSETS:

Mining claims — at cost (acquired by the amalgamating companies for \$38,626.28 cash and 503,911 equivalent shares of reorganized capital stock) (Note 1)	\$411,038.28	
Buildings and equipment — at nominal value	1.00	411,039.28

OTHER ASSETS:

Shares of a mining company (100,000 escrowed shares of Saranac Uranium Mines Limited) — at nominal value		1.00
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INVESTMENT IN AND EXPENDITURE ON OUTSIDE MINING PROPERTIES —

at cost (Note 1)		23,604.06
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Approved on behalf of the Board:

A. W. WHITE,	{	Directors.
H. R. HEARD,		

\$434,994.27

AUDITORS' REPORT

We have examined the balance sheet of Amalgamated Rare Earth Mines Limited as at May 31, 1963, and the statement of financial position and deficit for the year ended on that date. Our examination included a general review of the accounting records and other evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of exploration, production and deficit, with the notes appended thereto, present fairly the financial position of the company as at May 31, 1963, and for the year ended on that date, with generally accepted accounting principles applied on a basis consistent with that of the Province of Ontario.

TORONTO, November 13, 1963.

ARTH MINES LIMITED

(Incorporated under the laws of Ontario)

May 31, 1963

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	\$ 13,256.53
2% NOTES PAYABLE (Note 4)	51,583.90
	<u>\$ 64,840.43</u>

SHAREHOLDERS' EQUITY:

Capital stock —

Authorized —

5,000,000 shares with a par value of \$1.00 each	<u>\$ 5,000,000.00</u>
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Issued and fully paid (Note 6) —

3,023,757 shares	\$ 3,023,757.00
Less: Discount thereon	392,500.00
	<u>\$ 2,631,257.00</u>

Contributed surplus —

Excess of value attributed to net assets contributed by the amalgamating companies over par value of shares issued (no change during year)

1,308,309.00 \$ 3,939,566.00

Deficit	3,569,412.16	370,153.84
		<u>\$434,994.27</u>

THE SHAREHOLDERS

May 31, 1963 and the statements of exploration, development and administrative expenses and accounting procedures and such tests of accounting records and other supporting

development and administrative expenses and deficit, when read in conjunction with the 1963 and the results of its operations for the year ended on that date, in accordance with the preceding year.

MCDONALD, CURRIE & CO.,
Chartered Accountants.

AMALGAMATED RARE EARTH MINES LIMITED

STATEMENT OF EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED MAY 31, 1963

EXPLORATION AND DEVELOPMENT:

Mining licences and taxes	\$ 630.45	
Sundry	35.00	
	<u>\$ 665.45</u>	
Less: Rental income	300.00	\$ 365.45

ADMINISTRATIVE:

Advertising and shareholders' information	\$1,048.31	
Directors' fees	175.00	
Audit and professional services	1,205.00	
Office and general	642.33	
Transfer agent's fees and expenses	1,542.79	
Interest on notes payable	1,031.64	5,645.07
	<u>1,031.64</u>	<u>5,645.07</u>
		<u>\$6,010.52</u>

STATEMENT OF DEFICIT FOR THE YEAR ENDED MAY 31, 1963

BALANCE — MAY 31, 1962	\$ 3,563,401.64
Exploration, development and administrative expenses	6,010.52
BALANCE — MAY 31, 1963	<u>\$ 3,569,412.16</u>

AMALGAMATED RARE EARTH MINES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 1963

1. The amounts shown for mining claims and investment in and expenditure on outside mining properties represent costs to date and are not intended to reflect present or future values.
2. On March 28, 1961 the Company issued a writ against Eldorado Mining & Refining Limited, claiming \$8,500,000 damages and special damages for breach of contract dated February 6, 1957 between the Company and Eldorado. Eldorado has filed its defense and the trial is pending.
3. If, as and when any monies are received in respect of the claim against Eldorado, the Company is obligated under its proposal to creditors, as approved by the Court on November 16, 1961, to pay a special dividend to the unsecured creditors of up to 20 cents on the dollar over and above the amounts presently recorded in the accounts. The maximum amount payable would be \$64,083.90.
4. The 2% notes payable, which were issued under the proposal to creditors and approved by the Court, are non-transferable and mature in five years from the date of issuance or are to be redeemed earlier in cash by the Company by application of 25% of the proceeds of any future underwriting options as and when made.
5. Under the terms of the proposal referred to in notes 3 and 4 above the Company undertakes to make no distribution by way of dividends or otherwise to any of its shareholders until all the notes referred to in this proposal have been redeemed.
6. At a meeting of the directors held on July 9, 1957 it was resolved that 6,250 shares of capital stock were to be issued for services rendered to that date when senior financing had been firmly committed to in an amount sufficient to bring the Company's properties into production.
7. The Company has entered into an agreement, extended until settlement of the suit against Eldorado Mining & Refining Limited, with the President of the Company to pay a finder's fee of 5% of the funds received by the Company from:
 - (a) Any future major financing, obtained through the efforts of the President, for the development of the properties owned by the Company at the present time;
 - (b) The realization of such properties; or
 - (c) The negotiation of all or part of the benefits that would accrue to the Company under its contract with Eldorado Mining & Refining Limited, the costs of obtaining any such funds being at the expense of the President of the Company.
8. By agreement dated August 21, 1961, the Company received an option to purchase from its President three patented and seven unpatented mining claims in the Bad Vermillion Lake area of Ontario, payment to be made as follows:
 - (a) \$5,000 upon receipt by the Company of funds from an underwriting and option agreement;
 - (b) Further payments at the option of the Company as follows:
 - (i) \$5,000 on or before June 1, 1962
 - (ii) \$5,000 on or before September 1, 1962
 - (iii) \$5,000 on or before December 1, 1962and the issuance of 200,000 shares of the capital stock of the Company only if all the above payments were made first.

The payments under (a) and (b) (i) have been made. In consideration of a payment of \$1,100, to be applied against the payment referred to in (b) (ii), the President has agreed to extend the dates of payment under (b) (ii) and (iii) to November 1, 1963 and February 1, 1964 respectively. The November 1, 1963 payment was not made, therefore the option has lapsed and the claims have been returned to the vendor.

DECLARATION OF FINANCIAL INTERESTS

NOTICE TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31, 1991

I, the undersigned, being a director or officer of the company, do hereby declare that I have no financial interest in any of the following:

(a) any contract or transaction entered into by the company in the course of its business;

(b) any contract or transaction entered into by the company in the course of its business, which contract or transaction is not in the ordinary course of the business of the company;

(c) any contract or transaction entered into by the company in the course of its business, which contract or transaction is not in the ordinary course of the business of the company, and which contract or transaction is not in the ordinary course of the business of the company;

(d) any contract or transaction entered into by the company in the course of its business, which contract or transaction is not in the ordinary course of the business of the company, and which contract or transaction is not in the ordinary course of the business of the company;

(e) any contract or transaction entered into by the company in the course of its business, which contract or transaction is not in the ordinary course of the business of the company, and which contract or transaction is not in the ordinary course of the business of the company;

(f) any contract or transaction entered into by the company in the course of its business, which contract or transaction is not in the ordinary course of the business of the company, and which contract or transaction is not in the ordinary course of the business of the company;

(g) any contract or transaction entered into by the company in the course of its business, which contract or transaction is not in the ordinary course of the business of the company, and which contract or transaction is not in the ordinary course of the business of the company;

(h) any contract or transaction entered into by the company in the course of its business, which contract or transaction is not in the ordinary course of the business of the company, and which contract or transaction is not in the ordinary course of the business of the company;

(i) any contract or transaction entered into by the company in the course of its business, which contract or transaction is not in the ordinary course of the business of the company, and which contract or transaction is not in the ordinary course of the business of the company;

(j) any contract or transaction entered into by the company in the course of its business, which contract or transaction is not in the ordinary course of the business of the company, and which contract or transaction is not in the ordinary course of the business of the company;

(k) any contract or transaction entered into by the company in the course of its business, which contract or transaction is not in the ordinary course of the business of the company, and which contract or transaction is not in the ordinary course of the business of the company;

(l) any contract or transaction entered into by the company in the course of its business, which contract or transaction is not in the ordinary course of the business of the company, and which contract or transaction is not in the ordinary course of the business of the company;

(m) any contract or transaction entered into by the company in the course of its business, which contract or transaction is not in the ordinary course of the business of the company, and which contract or transaction is not in the ordinary course of the business of the company;